



## The Corporation of the Town of Tecumseh

### Financial Services

**To:** Mayor and Members of Council

**From:** Tom Kitsos, Director Financial Services & Chief Financial Officer

**Date to Council:** June 22, 2021

**Report Number:** FS- 2021-04

**Subject:** COVID-19 Funding Programs Update

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### Recommendations

It is recommended:

**That** Council Report FS-2021-04 COVID-19 Funding Programs Update **be received.**

### Executive Summary

Since the onset of the COVID-19 pandemic, the federal and provincial governments have created several grant programs designed to assist municipalities and other entities experiencing financial pressures due to COVID-19 in the delivery of essential services to our communities.

This report provides detail with respect to four programs for which the Town is eligible to receive financial assistance.

Specifically, the programs and eligible funding announced to date include:

Funding Program	Eligible Amount
Safe Restart Agreement – Municipal Operating stream	\$788,100
Safe Restart Agreement – Transit stream	\$106,432
Investing in Canada Infrastructure Program – COVID stream	\$342,607

<b>Funding Program</b>	<b>Eligible Amount</b>
2021 COVID-19 Recovery Funding for Municipalities	\$449,850
Fire Safety Grant	\$10,300
<b>Total Eligible</b>	<b>\$1,697,289</b>

## Background

In response to the COVID-19 pandemic, the federal and provincial governments have provided financial relief by way of several funding programs to support municipalities, among other recipients of the programs, in their efforts to continue to provide essential services to our communities throughout this state of emergency.

The intent of this report is to summarize COVID-19 relief programs available to Tecumseh to date, including details of funding allocations/commitments made to the Town and any underlying directions/restrictions for use of those funds.

## Comments

### Safe Restart Agreement (SRA)

The Safe Restart Agreement (SRA) is a federal/provincial program of more than \$19 billion to help provinces and territories safely restart their economies and make Canada more resilient to possible future surges in cases of COVID-19.

The program initially announced in July 2020, is intended to provide financial relief to seven priority areas including:

- Testing, contact tracing and data management
- Health care system capacity
- Vulnerable populations
- Municipalities
- Personal protective equipment for health and non-health workers
- Child care for returning workers
- Pan-Canadian sick leave

Within the Municipal priority of this program, financial relief is available through the Municipal Operating stream and the Municipal Transit stream.

The **Municipal Operating** stream (SRA Municipal) includes two phases and is intended to provide financial relief to support COVID-19 operating costs and pressures, generally including loss of revenues and additional safety expenditures. The Ministry of Municipal Affairs and Housing (MMAH) administers the SRA Municipal stream in Ontario.

SRA Municipal Phase 1 was announced in August 2020 and funding was allocated on a per household basis to address 2020 COVID-19 operating costs and pressures with a commitment to the Town of Tecumseh of \$554,100.

SRA Municipal Phase 2 funding was announced simultaneously, with the anticipation that Phase 1 funding would be sufficient to address 2020 COVID-19 costs and pressures for most municipalities. Phase 2 funding was first made available to municipalities that could demonstrate that the 2020 COVID-19 operating costs and pressures exceeded their Phase 1 per household allocation.

About half of the funds available through the SRA Municipal Phase 2 application-based exercise were distributed. Tecumseh could not demonstrate a need for financial relief greater than the SRA Municipal Phase 1 allocation.

For both SRA Municipal Phase 1 allocation-based and SRA Municipal Phase 2 application-based funding, any funds not used in 2020 can be placed in reserves to be applied to 2021 COVID-19 financial pressures.

In December 2020, the remaining SRA Municipal Phase 2 funding was allocated based on the number of households in the municipality and the proportion of COVID-19 cases occurring in the municipality's public health unit. Tecumseh was allocated \$234,000 to be used towards 2021 COVID-19 operating costs and pressures.

The Town is in receipt of both SRA Municipal Phase 1 and Phase 2 allocations and is required to complete SRA Municipal Stream Phase 1 and Phase 2 reporting to the province for June 30, 2021.

The **Municipal Transit** stream (SRA Transit) includes three phases and is intended to provide financial relief to support COVID-19 operating costs and pressures and/or advance strategic provincial transit initiatives. The Ministry of Transportation (MTO) administers the SRA Transit stream in Ontario.

Phase 1 of the SRA Transit stream allocated \$33,894 to the Town of Tecumseh to support the Town's COVID-19 municipal transit pressures incurred from April 1, 2020 to September 30, 2020. The Town was required to report back to the province by October 30, 2020 detailing use of Phase 1 funds and forecasting eligible expenditures to March 31, 2021 with the expectation that any unused funds be placed in reserve to be applied to 2021 COVID-19 financial pressures.

SRA Transit Phase 2 funding was also announced simultaneously again with the anticipation that Phase 1 funding would be sufficient for most municipalities. Phase 2 funding eligibility required the completion of the Phase 1 report back and the entering into of a Transfer Payment Agreement (TPA). Although not expecting to require Phase 2 funding, the Town did enter into a TPA with the province that would provide up to an additional \$52,397 in funding towards COVID-19 related Transit financial pressures for the period October 2020 to March 2021. SRA Transit stream allocations are based on a formula of transit ridership, plus a base amount of \$40,000.

Final reporting for SRA Transit Phase 1 and Phase 2 was completed May 31, 2021 with the Town demonstrating financial pressures of approximately \$31,000 for the period April 2020 to March 2021. As such, the Town's SRA Transit Phase 1 allocation of \$33,894 sufficiently relieved direct COVID-19 related financial pressures with the unused balance of approximately \$3,000 placed in reserve.

The Town is in receipt of SRA Transit Phase 1 funding. SRA Transit Phase 2 is claims-based and as such, no funds have been advanced to the Town.

In March 2021, the MTO announced SRA Transit Phase 3 that will provide funding for COVID-19 related financial impacts as well as costs related to transit initiatives, including fare and service integration, on-demand micro transit and transformation of transit structures/governance, for the period April 1 to December 31, 2021. An extension to the timeframe for use of SRA Transit Phase 3 funding may be granted at the sole discretion of the province.

Tecumseh was allocated \$20,141 in SRA Transit Phase 3 funding and anticipate receiving these funds soon. SRA Transit Phase 3 reporting is due October 2021 and January 2022.

In summary, funding allocations under SRA Municipal Phases 1 and 2 and SRA Transit Phase 1 have been advanced to municipalities. SRA Transit Phase 3 funds are expected soon.

Funding through applications under SRA Transit Phase 2 is claims-based whereby funds are distributed following claim submissions. Initially, that was the case for SRA Municipal Phase 2, however, funds not disbursed through the application process were later allocated to municipalities.

### **Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream (ICIP - COVID)**

In November 2020, Ontario municipalities received notice that the federal government created the COVID-19 Resilience Infrastructure stream (ICIP – COVID) as part of the Investing in Canada Infrastructure Program (ICIP).

Through the original ICIP, the federal government will provide \$11.8 billion in federal infrastructure funding to cost-share projects under the following streams:

- Public Transit
- Green Infrastructure
- Community, Culture and Recreation
- Rural and Northern Communities

Funding for the ICIP - COVID stream is drawn from existing funding streams. Ontario is re-allocating funding under the ICIP Green Infrastructure stream to support ICIP - COVID.

Under ICIP - COVID, each municipality was allocated a minimum \$100,000, with some municipalities receiving additional funding determined through indicators such as core infrastructure value, total weighted assessment and median household income.

The federal government will cost-share 80% of project costs with the remaining 20% to be funded by the province. Municipalities are not required to participate in cost-sharing.

The program is claims based and requires construction of projects to commence prior to September 30, 2023 and to be substantially complete by December 31, 2023.

The Town was allocated \$342,607 and as referenced in Council Report CAO-2021-03 has applied to use those funds towards Category 2: COVID-19 Response Infrastructure, primarily including replacement of Town Hall HVAC units, installation of physical barriers in the Town Hall lobby and a new bulk water payment system.

## **2021 COVID-19 Recovery Funding for Municipalities Program (2021 CRF)**

In March 2021, MMAH announced funding eligible to all Ontario municipalities to support COVID-19 operating costs and pressures anticipated for 2021.

Funding is allocated based on the proportion of COVID-19 cases in the Public Health Unit for each respective municipality during the period of January 1, 2021 to February 18, 2021.

Tecumseh was allocated \$449,850, to be received in two equal instalments with one instalment prior to May 1, 2021 and the other prior to November 1, 2021.

Eligible costs under this program follow the SRA program and any funding not required during 2021 is to be placed into reserves to support any future COVID-19 operating costs and pressures. Municipalities are expected to continue to find efficiencies in operating services and to access reserves and reserve funds

The Town is in receipt of its first instalment.

Interim report is due June 30, 2021, in combination with SRA Municipal Phases 1 and 2 Final reporting.

## **Fire Safety Grant (FSG)**

In March 2021, the province, through the Ministry of the Solicitor General (SolGen) announced a one-time grant to municipal fire services to assist in addressing challenges associated with training and virtual inspections due to COVID-19. Funds under this grant must be spent by August 2021 with a report back to the Fire Marshall by September 2021.

Tecumseh is eligible to receive up to \$10,300 in funding. Funding comprises of a base amount of \$4,500 plus additional funds based on the population of the municipality. The Town is in receipt of its \$10,300 allocation.

As referenced in Council Report FIRE-2021-02, the Town applied to use the Town's calculated allocation towards the following:

- Purchase of training software system to allow for online in-house training
- Purchase of fire management software to replace the existing system
- Purchase of a new digital camera for the Fire Prevention Officer to use during inspections

## **Consultations**

None

## **Financial Implications**

There are no financial implications associated with this report.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐      Social Media ☐      News Release ☐      Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
None	